Permit #: 28.0802-01

**Effective Date:** Draft

**Expiration Date:** Draft



Steven M Pirner, Secretary Department of Environment and Natural Resources

# **Under the South Dakota Air Pollution Control Regulations**

Pursuant to Chapter 34A-1-21 of the South Dakota Codified Laws and the Air Pollution Control Regulations of the State of South Dakota and in reliance on statements made by the owner designated below, a permit to operate is hereby issued by the Secretary of the Department of Environment and Natural Resources. This permit authorizes such owner to operate the source unit(s) at the location designated below and under the listed conditions.

#### A. Owner

1. Company Name and Mailing Address

Industrial Energy Applications, Inc. Hy-Vee Store No. 1 200 First Street SE, Suite 1500 Cedar Rapids, IA 52401-1409

2. Actual Source Location if Different from Above

1601 South Sycamore Avenue Sioux Falls, SD 57103

3. Permit Contact

Steven Kent, Manager – Standby Generation (319) 786-2719

4. Facility Contact

Same as Above

5. Responsible Official

Bryan McGlothlin, Vice President (319) 786-2735

B. Permit Revisions or Modifications

Not Applicable

C. Type of Operation

The facility consists of a diesel generator used to generate electricity in an energy emergency and also during utility curtailments for Hy-Vee Store No. 1

# **Table of Contents**

			Page	
1.0	STA	ANDARD CONDITIONS	1	
1.0	1.1	Operation of source		
	1.2	Duty to comply		
	1.3	Property rights or exclusive privileges		
	1.4	Penalty for violating a permit condition		
	1.5	Inspection and entry		
	1.6	Severability		
	1.7	Permit termination, modification, or revocation		
2.0	PERMIT AMENDMENT AND MODIFICATION CONDITIONS2			
2.0	2.1	Permit flexibility		
	2.2	Administrative permit amendment		
	2.3	Minor permit amendment		
	2.4	Permit modification		
	2.5	Permit revision		
	2.6	Testing new fuels or raw materials		
• •				
3.0		RMIT RENEWAL REQUIREMENTS		
	3.1	Permit effective		
	3.2	Permit renewal		
	3.3	Permit expiration	5	
4.0	REC	CORD KEEPING AND REPORTING REQUIREMENTS	5	
	4.1	Record keeping and reporting		
	4.2	Signatory requirements		
	4.3	Certification statement	6	
	4.4	Monthly Records	6	
	4.5	Reporting permit violations	6	
5.0	CO	NTROL OF REGULATED AIR POLLUTANTS	7	
3.0	5.1	Visibility limit		
	5.1 5.2	Visibility exceedances		
	5.2 5.3	Total suspended particulate limits		
	5.4	Sulfur dioxide limits		
	5. <b>5</b>	Operational restriction for Unit #1.		
	<b>5.6</b>	Circumvention not allowed.		
	5.7	Minimizing emissions.		
6.0		RFORMANCE TESTS		
<b>U•U</b>	6.1	Performance test may be required		
	6.2	Test methods and procedures		

# **Table of Contents**

			Page
	6.3	Representative performance test	8
	6.4	Submittal of test plan	
	6.5	Notification of test	
	6.6	Performance test report	9
7.0	TIT	LE V AIR QUALITY PERMIT EXEMPTION	9
	<b>7.1</b>	Plant wide nitrogen oxide emission limit	9
	7.2	Title V air quality permit exemption	
8.0	REC	COMMENDATION	10

#### 1.0 STANDARD CONDITIONS

1.1 Operation of source. In accordance with Administrative Rules of South Dakota (ARSD) 74:36:04:15(9), the owner or operator shall construct and operate the units, controls, and processes as described in Table 1-1 and in accordance with the statements, representations, and supporting data contained in the complete permit application submitted and dated January 29, 2009, unless modified by the conditions of this permit. Except as otherwise provided herein, the control device in Table 1-1 shall be operated in manner that achieves compliance with the conditions of this permit at all times. The application consists of the application forms, supporting data, and supplementary correspondence. If the owner or operator becomes aware that it failed to submit any relevant facts in a permit application or submitted incorrect information in an application, such information shall be promptly submitted.

Table 1-1 – Description of Permitted Units, Operations, and Processes

		Maximum	Control
Unit	Description	<b>Operating Rate</b>	Device
#1	Engine #1 – 1994 Caterpillar internal combustion engine and electric generator, Model #3508. The unit is fueled with distillate oil.	725 kilowatts, heat output	Not applicable

- **1.2 Duty to comply.** In accordance with ARSD 74:36:04:15(12), the owner or operator shall comply with the conditions of this permit. An owner or operator who knowingly makes a false statement in any record or report or who falsifies, tampers with, or renders inaccurate, any monitoring device or method is in violation of this permit. A violation of any condition in this permit is grounds for enforcement, reopening this permit, permit termination, or denial of a permit renewal application. The owner or operator, in an enforcement action, cannot use the defense that it would have been necessary to cease or reduce the permitted activity to maintain compliance. The owner or operator shall provide any information requested by the Secretary to determine compliance or whether cause exists for reopening or terminating this permit.
- 1.3 Property rights or exclusive privileges. In accordance with ARSD 74:36:04:15(12), the State's issuance of this permit, adoption of design criteria, and approval of plans and specifications does not convey any property rights of any sort, any exclusive privileges, any authorization to damage, injure or use any private property, any authority to invade personal rights, any authority to violate federal, state or local laws or regulations, or any taking, condemnation or use of eminent domain against any property owned by third parties. The State does not warrant that the owner's or operator's compliance with this permit, design criteria, approved plans and specifications, and operation under this permit, will not cause damage, injury or use of private property, an invasion of personal rights, or violation of federal, state or local laws or regulations. The owner or operator is solely and severally liable for all damage, injury or use of private property, invasion of personal rights, infringement of federal, state or local laws

and regulations, or taking or condemnation of property owned by third parties, which may result from actions taken under the permit.

- **1.4** Penalty for violating a permit condition. In accordance with South Dakota Codified Laws (SDCL) 34A-1-39 and 34A-1-47, a violation of a permit condition may subject the owner or operator to civil or criminal prosecution, a state penalty of not more than \$10,000 per day per violation, injunctive action, administrative permit action, and other remedies as provided by law.
- **1.5** <u>Inspection and entry.</u> In accordance with SDCL 34A-1-41, the owner or operator shall allow the Secretary to:
- 1. Enter the premises where a regulated activity is located or where pertinent records are stored;
- 2. Have access to and copy any records that are required under this permit;
- 3. Inspect operations regulated under this permit; and/or
- 4. Sample or monitor any substances or parameters for the purpose of assuring compliance.
- **1.6** Severability. In accordance with ARSD 74:36:04:15(11), any portion of this permit that is void or challenged shall not affect the validity of the remaining permit requirements.
- **1.7 Permit termination, modification, or revocation.** In accordance with ARSD 74:36:04:27, the Secretary may recommend that the Board of Minerals and Environment terminate, modify, or revoke this permit for violations of SDCL 34A-1 or the federal Clean Air Act or for nonpayment of any outstanding enforcement penalty.

### 2.0 PERMIT AMENDMENT AND MODIFICATION CONDITIONS

**2.1 Permit flexibility.** In accordance with ARSD 74:36:04:18, the owner or operator shall have the flexibility to make changes to the source during the term of this permit. The owner or operator shall provide the Secretary written notice at least seven days in advance of the proposed change. The written notice shall include a brief description of the change, the date on which the change is to occur, any change in emissions, the proposed changes to the permit, and whether the requested revisions are for an administrative permit amendment, minor permit amendment, or permit modification.

The Secretary will notify the owner or operator whether the change is an administrative permit amendment, a minor permit amendment, or a permit modification. A proposed change that is considered an administrative permit amendment or a minor permit amendment can be completed immediately after the Secretary receives the written notification. The owner or operator must comply with both the applicable requirements governing the change and the proposed permit terms and conditions until the Secretary takes final action on the proposed change.

A proposed change that is considered a modification can not be constructed until the Secretary takes final action on the proposed change. Permit modifications are subject to the same procedural requirements, including public comment, as the original permit issuance except that the required review shall cover only the proposed changes.

- **2.2** Administrative permit amendment. In accordance with ARSD 74:36:04:20, the Secretary has 15 days from receipt of a written notice to verify that the proposed change is an administrative permit amendment. As provided in ASRD 74:36:01:03, the Secretary considers a proposed change an administrative permit amendment if the proposed change accomplishes one of the following:
- 1. Corrects typographical errors;
- 2. Changes the name, address, or phone number of any person identified in this permit or provides a similar minor administrative change at the source;
- 3. Requires more frequent monitoring or reporting by the source;
- 4. The ownership or operational control of a source changes and the Secretary determines that no other change in this permit is necessary. However, the new owner must submit a certification of applicant form and a written statement specifying the date for transfer of operating permit responsibility, coverage, and liability; or
- 5. Any other change that the Secretary determines to be similar to those requirements in this condition.
- **2.3 Minor permit amendment.** In accordance with ARSD 74:36:04:20.04, the Secretary has 90 days from receipt of a written notice to take final action on a minor permit amendment. Final action consists of issuing or denying a minor permit amendment or determining that the proposed change is a permit modification. As provided in ASRD 74:36:04:20:02, the Secretary considers a proposed change to be a minor permit amendment if the proposed change:
- 1. Does not violate any applicable requirements;
- 2. Does not involve significant changes to existing monitoring, reporting, or record keeping requirements;
- 3. Does not require or change a case-by-case determination of an emission limit or other standard, a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis; or
- 4. Does not seek to establish or change a permit term or condition for which the source has assumed to avoid an applicable requirement, a federally enforceable emission cap, or an alternative emission limit. An alternative emission limit is approved pursuant to regulations promulgated under section 112(i)(5) of the federal Clean Air Act.
- **2.4 Permit modification.** In accordance with ARSD 74:36:04:21, an owner or operator may apply for a permit modification. A permit modification is defined in ARSD 74:36:01:10 as a physical change in or change in the operation of a source that results in at least one of the following:

- 1. An increase in the amount of an air pollutant emitted by the source or results in the emission of an air pollutant not previously emitted;
- 2. A significant change to existing monitoring, reporting, or record keeping requirements in the permit;
- 3. The change requires or changes a case-by-case determination of an emission limit or other standard, a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis; or
- 4. The change seeks to establish or change a permit term or condition for which there is a corresponding underlying applicable requirement that the source has assumed to avoid an applicable requirement, a federally enforceable emissions cap assumed to avoid classification as a modification under a provision of the Title I of the Clean Air Act, or an alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Clean Air Act.

Permit modifications are subject to the same procedural requirements, including public comment, as the original permit issuance except that the required review shall cover only the proposed changes.

- **2.5 Permit revision.** In accordance with ARSD 74:36:04:24, the Secretary shall notify the owner or operator at least 30 days before reopening this permit when a revision is required to meet requirements of SDCL 34A-1 or the federal Clean Air Act. The 30 day period may be less in the case of an emergency.
- **Testing new fuels or raw materials.** In accordance with ARSD 74:36:11:04, an owner or operator may request permission to test a new fuel or raw material to determine if it is compatible with existing equipment before requesting a permit amendment or modification. A complete test proposal shall consist of the following:
- 1. A written proposal that describes the new fuel or raw material, operating parameters, and parameters that will be monitored and any testing associated with air pollutant emissions during the test;
- 2. An estimate of the type and amount of regulated air pollutant emissions that will result from the proposed change; and
- 3. The proposed schedule for conducting the test.

The Secretary shall approve, conditionally approve, or deny in writing the test proposal within 45 days after receiving a complete proposal. Approval conditions may include changing the test schedule or pollutant sampling and analysis methods. Pollutant sampling and analysis methods may include, but are not limited to performance testing, visible emission evaluation, fuel analysis, dispersion modeling, and monitoring of raw material or fuel rates.

If the Secretary determines that the proposed change will result in an increase in the emission of a regulated air pollutant or result in the emission of an additional regulated air pollutant, the Secretary shall give public notice of the proposed test for 30 days. The Secretary shall consider all comments received during the 30-day public comment period before making a final decision on the test.

The Secretary will not approve a test if the test would cause or contribute to a violation of a national ambient air quality standard.

## 3.0 PERMIT RENEWAL REQUIREMENTS

- **3.1 Permit effective.** In accordance with ARSD 74:36:04:05, this permit shall expire five years from date of issuance unless reopened or terminated for cause.
- **3.2 Permit renewal.** In accordance with ARSD 74:36:04:06, the owner or operator shall submit an application for a permit renewal at least 90 days before the date of permit expiration if the owner or operator wishes to continue an activity regulated by this permit. The current permit shall not expire and shall remain in effect until the Secretary takes final action on the timely permit renewal application.
- **3.3 Permit expiration.** In accordance with ARSD 74:36:04:16, permit expiration terminates the owner's or operator's right to operate any unit covered by this permit.

# 4.0 RECORD KEEPING AND REPORTING REQUIREMENTS

**4.1** Record keeping and reporting. In accordance with ARSD 74:36:04:15(10), the owner or operator shall maintain all monitoring data, records, reports, and pertinent information specified by this permit for five years from the date of sample, measurement, report, or application. The records shall be maintained on site for the first two years and may be maintained off site for the last three years. All records must be made available to the Secretary for inspection. All notifications and reports shall be submitted to the following address:

PMB 2020 - South Dakota Department of Environment and Natural Resources Air Quality Program 523 E. Capitol, Joe Foss Building Pierre, SD 57501-3181

**4.2** Signatory requirements. In accordance with ARSD 74:36:04:07, all applications submitted to the Secretary shall be signed and certified by a responsible official. A responsible official is a responsible corporate officer for a corporation or a general partner or the proprietor

for a partnership or sole proprietorship, respectively. All reports or other information submitted to the Secretary shall be signed and certified by a responsible official or a duly authorized representative. A person is a duly authorized representative only if:

- 1. The authorization is made in writing by a person described above and submitted to the Secretary; and
- 2. The authorization specifies either an individual or a position having responsibility for the overall operation of the regulated facility, such as the position of plant manager, superintendent, position of equivalent responsibility, or an individual or position having overall responsibility for environmental matters.

The responsible official shall notify the Secretary if an authorization is no longer accurate. The new duly authorized representative must be designated prior to or together with any reports or information to be signed by a duly authorized representative.

**4.3** Certification statement. All documents required by this permit, including application forms, reports, and compliance certification, must be certified by a responsible official or a duly authorized representative. The certification shall include the following statement:

"I certify that, based on information and belief formed after reasonable inquiry, the statements and information in this document and all attachments are true, accurate, and complete."

- **4.4 Monthly Records.** In accordance with ARSD 74:36:04:15(10), the owner or operator shall calculate the amount of distillate oil, in gallons, burned in Unit #1 each month. In addition, a 12-month rolling total shall be calculated every month using that month's value and the previous 11 months' values.
- **Reporting permit violations.** In accordance with ARSD 74:36:04:15(10), the owner or operator shall report all permit violations. A permit violation should be reported as soon as possible, but no later than the first business day following the day the violation was discovered. The permit violation may be reported by telephone to the South Dakota Department of Environment and Natural Resources at (605) 773-3151 or by FAX at (605) 773-5286.

A written report shall be submitted within five days of discovering the permit violation. Upon prior approval from the Secretary, the submittal deadline for the written report may be extended up to 30 days. The written report shall contain:

- 1. Description of the permit violation and its cause(s);
- 2. Duration of the permit violation, including exact dates and times; and
- 3. Steps taken or planned to reduce, eliminate, and prevent reoccurrence of the permit violation.

### 5.0 CONTROL OF REGULATED AIR POLLUTANTS

- **5.1 Visibility limit.** In accordance with ARSD 74:36:12:01, the owner or operator may not discharge into the ambient air an air contaminant of a density equal to or greater than that designated as 20 percent opacity from any permitted unit, operation, or process listed in Table 1-1. This provision does not apply when the presence of uncombined water is the only reason for failure to meet the requirement.
- **Visibility exceedances.** In accordance with ARSD 74:36:12:02, an exceedance of the operating limit in permit condition 5.1 is not considered a violation during brief periods of soot blowing, start-up, shutdown, or malfunctions. A malfunction is described as any sudden and unavoidable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner. A failure caused entirely or in part by poor maintenance, careless operation, preventable equipment breakdown, or any other cause within the control of the owner or operator of the source is not a malfunction and is considered a violation.
- **Total suspended particulate limits.** In accordance with ARSD 74:36:06:02(1), the owner or operator shall not allow the emission of total suspended particulate in excess of the emission limit specified in Table 5-1 for the appropriate permitted unit, operations, and process.

Table 5-1 – Total Suspended Particulate Emission Limit

Unit	Description	<b>Emission Limit</b>
Unit #1	Engine #1	0.6 pounds per million Btu heat input

**5.4** Sulfur dioxide limits. In accordance with ARSD 74:36:06:02(2), the owner or operator shall not allow the emission of sulfur dioxide in excess of the emission limit specified in Table 5-2 for the appropriate permitted unit, operations, and process.

Table 5-2 – Sulfur Dioxide Emission Limit

Unit	Description	<b>Emission Limit</b>
Unit #1	Engine #1	3.0 pounds per million Btu heat input

Compliance with the sulfur dioxide emission limit is based on a three-hour rolling average, which is the arithmetic average of three contiguous one-hour periods.

**Operational restriction for Unit #1.** In accordance with ARSD 74:36:04:15(9), the owner or operator shall not burn more than 162,000 gallons of distillate oil in Unit #1 during any 12-month period. Compliance with the emission limit shall be determined by a 12-month rolling total based on the monthly records required in permit condition 4.4. At the beginning of each month, a new 12-month total shall be calculated using the total amount of distillate oil burned in Unit #1 for the previous 12-months.

- **Circumvention not allowed.** In accordance with ARSD 74:36:04:31, the owner or operator may not install, use a device, or use a means that conceals or dilutes an air emission that would otherwise violate this permit. This includes operating a unit or control device that emits air pollutants from an opening other than the designed stack, vent, or equivalent opening.
- **5.7** Minimizing emissions. In accordance with ARSD 74:36:04:15(9), the owner or operator shall at all time, when practicable, maintain and operate all permitted units in a manner that minimizes air pollution emissions.

#### 6.0 PERFORMANCE TESTS

- 6.1 Performance test may be required. In accordance with ARSD 74:36:11:02, the secretary may request a performance test. A performance test shall be conducted while operating the unit at or greater than 90 percent of its maximum design capacity, unless otherwise specified by the Secretary. A performance test that is conducted while operating at less than 90 percent of its maximum design capacity will result in the operation being limited to the percent achieved during the performance test. The Secretary has the discretion to extend the deadline for completion of the performance test required by the Secretary if circumstances reasonably warrant but will not extend the deadline past a federally required performance test deadline.
- **Test methods and procedures.** In accordance with ARSD 74:36:11:01, the owner or operator shall conduct the performance test in accordance with 40 CFR Part 60, Appendix A, 40 CFR Part 63, Appendix A, and 40 CFR Part 51, Appendix M. The Secretary may approve an alternative method if a performance test specified in 40 CFR Part 60, Appendix A, 40 CFR Part 63, Appendix A, and 40 CFR Part 51, Appendix M is not applicable or required.
- **Representative performance test.** In accordance with ARSD 74:36:07:01, as referenced to 40 CFR § 60.8(c), performance tests shall be conducted under such conditions as the Secretary shall specify to the owner or operator based on the representative performance of the unit being tested. The owner or operator shall make available to the Secretary such records as may be necessary to determine the conditions of the performance tests. Operations during periods of startup, shutdown, and malfunction shall not constitute representative conditions for the purpose of a performance test nor shall emissions in excess of the level of the applicable emission limit during periods of startup, shutdown, and malfunction be considered a violation of the applicable emission limit unless otherwise specified in this permit.
- **Submittal of test plan.** In accordance with ARSD 74:36:11:01, the owner or operator shall submit the proposed testing procedures to the Secretary at least 30 days prior to any performance test. The Secretary will notify the owner or operator if the proposed test procedures are approved or denied. If the proposed test procedures are denied, the Secretary will provide written notification that outlines what needs to be completed for approval.

- **Notification of test.** In accordance with ARSD 74:36:11:03, the owner or operator shall notify the Secretary at least 10 days prior to the start of a performance test to arrange for an agreeable test date when the Secretary may observe the test. The Secretary may extend the deadline for the performance test in order to accommodate schedules in arranging an agreeable test date.
- **6.6 Performance test report.** In accordance with ARSD 74:36:04:15(10), the owner or operator shall submit a performance test report to the Secretary within 60 days after completing the performance test or by a date designated by the Secretary. The performance test report shall contain the following information:
- 1. A brief description of the process and the air pollution control system being tested;
- 2. Sampling location description(s);
- 3. A description of sampling and analytical procedures and any modifications to standard procedures;
- 4. Test results;
- 5. Quality assurance procedures and results;
- 6. Records of operating conditions during the test, preparation of standards, and calibration procedures;
- 7. Raw data sheets for field sampling and field and laboratory analyses;
- 8. Documentation of calculations;
- 9. All data recorded and used to establish parameters for compliance monitoring; and
- 10. Any other information required by the test method.

## 7.0 TITLE V AIR QUALITY PERMIT EXEMPTION

- **7.1** Plant wide nitrogen oxide emission limit. In accordance with ARSD 74:36:04:15(9), the owner or operator shall not emit greater than 50 tons of nitrogen oxide from Unit #1 per 12-month period. Compliance with the plant wide nitrogen oxide emission limit is based on the operational limit in permit condition 5.5, which limits the amount of distillate oil burned in Unit #1.
- **7.2** Title V air quality permit exemption. In accordance with ARSD 74:36:04:15(9), the owner or operator is exempt from needing a Title V air quality permit. The exemption is based on the air emission limit in permit condition 7.1. Any relaxation in permit condition 7.1 that increases nitrogen oxide air emission greater than 50 tons per 12-month period is considered a modification and may require a Title V air quality permit.

# 8.0 RECOMMENDATION

A review of this facility indicates it can operate in compliance with South Dakota's Air Pollution Control rules and the federal Clean Air Act. The Secretary, therefore, recommends that the Board of Minerals and Environment issue this operating permit with conditions to ensure compliance with SDCL 34A-1 and the federal Clean Air Act. Any questions pertaining to the Secretary's recommendation should be directed to Jill Riedel, Natural Resources Engineer, at (605) 362-3543.